

COPY

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

## THE MINED LANDS RECLAMATION ACT

## BOND

\*\*\*\*\*

South Lisbon Mine

KNOW ALL MEN BY THESE PRESENCE, that the undersigned Minerals Recovery Corporation as principal, and (surety company) as surety, are held and firmly bound unto the State of Utah, Division of Oil, Gas, and Mining, in the penal sum of Seven thousand eight hundred thirty-three dollars (\$7,833) for the payment of which sum, will and truly be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH that whereas the above named principal did on the 23rd day of April 1977, file with the Division of Oil, Gas, and Mining a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan", to secure authorization to engage in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act; that in said Notice the principal estimated that three (3) acres of land will be affected by mining. Said land is described as follows in Exhibit "A" attached hereto. (copy of MR Form 1)

NOW, if the said principal shall satisfactorily reclaim the above mentioned lands affected by mining by said principal in accordance with the Mining and Reclamation Plan and shall faithfully perform all requirements of the Mined Land Reclamation Act, and comply with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the said approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and said land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the said plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

X MINERALS RECOVERY CORPORATION

Principal (Company)

Date: XBy: X

Company Official - position

\_\_\_\_\_  
Surety (Company)Date: XBy: X

Official of Surety - Position



MR FORM 7a

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

Copy

\* MINED LANDS RECLAMATION AGREEMENT \*

(ESCROW)

South Lisbon Mine

THIS AGREEMENT, made and entered into this leave blank day of leave blank, 19  , between Minerals Recovery Corporation a corporation duly authorized and existing under and by virtue of the laws of (State) as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto. (copy of MR Form 1)

WHEREAS, the Operator did on the 23rd day of April 1977, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations: and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, and the fact that the Operator has been unable to obtain a surety bond.



MINED LANDS RECLAMATION AGREEMENT (ESCROW)  
MR FORM 7a

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NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The Operator promises to reclaim the land affected in accordance with the approved mining and reclamation plan. The Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Operator, in lieu of posting a bond or other surety hereby agrees to deposit (~~\$ \_\_\_\_\_~~) dollars, commencing on the \_\_\_\_\_ day of 19\_\_\_\_, and on the same date each month thereafter, in what will be hereinafter referred to as the Escrow Fund, until such time as said Escrow Fund contains (~~\$ \_\_\_\_\_~~) dollars, excluding interest. (see bottom of page) \*
3. The Board, in lieu of the posting of a bond or other surety, agrees to execute an Escrow Agreement with the Operator and any third party designated by said Operator.
4. Upon execution of the Escrow Agreement, the Operator agrees to furnish the Board a copy of <sup>the</sup> each receipt of deposit ~~no respecting funds~~   
 → later than ~~the 10th~~ <sup>ten (10)</sup> days of each month following such execution.
5. The Board and the Operator agree that failure by the Operator to make <sup>the</sup> deposit into the Escrow Fund ~~for any two consecutive months~~, shall constitute a Breach of Contract and the Board may, after notice and hearing, ~~declare all monies in the Escrow Fund forfeited and~~ request the Attorney General to take the necessary legal actions to enjoin further mining activities by the Operator in the State of Utah.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this leave blank day of leave blank 19  .

MINERALS RECOVERY CORPORATION

By: X \_\_\_\_\_

ATTEST:

Secretary

BOARD OF OIL, GAS, AND MINING

By: \_\_\_\_\_

Note: If the Operator is a corporation, the agreement should be executed by its duly authorized officer with the seal of the Corporation affixed.

\* certificates of deposit with a total face value of not less than \$7,105 on or before the \_\_\_\_ day of \_\_\_\_, 19\_\_ in an account which will hereinafter be referred to as the Escrow Fund. The Escrow Fund shall be an interest bearing account at an annual interest rate of not less than five (5) percent. Said interest shall remain in the Fund.



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

\* ESCROW AGREEMENT \*

AGREEMENT made this 24th day of June, 1944,

between the Board of Oil, Gas, and Mining, hereinafter called the Board,

\_\_\_\_\_, and Minerals Recovery Corporation  
hereinafter called the Operator, and (whatever Utah Bank MRC chooses)  
hereinafter called the ESCROWEE.

WHEREAS, the Board and the Operator have entered into a Mined Land Reclamation Agreement upon terms and conditions therein set forth.

WHEREAS, the Operator desires to execute an Escrow Agreement in lieu of furnishing a Bond or other form of surety for the purpose of meeting the requirements of Section 40-8-14, UCA, 1953.

IT IS THEREFORE AGREED:

1. Deposit of Escrow Fund. Commencing on the \_\_\_\_\_ day  
of 19\_\_\_\_, and on the same date each month thereafter, ~~The Escrowee~~  
~~agrees to accept~~ <sup>and hold</sup> ~~and the Operator agrees to deposit (\$\_\_\_\_\_)~~ <sup>on or before the</sup>  
~~day of \_\_\_\_\_, 19\_\_\_\_, certificates of deposit with a total face value of~~  
~~dollars, in what will be hereinafter referred to as the Escrow Fund,~~  
~~until such time as said Escrow Fund contains (\$\_\_\_\_\_)~~  
~~dollars, excluding interest.~~ <sup>certificates</sup> All interest earned by the monies in  
said Fund shall accumulate to the benefit of the Fund until this  
Escrow Agreement is terminated by mutual consent of the undersigned  
or disbursement of the Funds therein is ordered by a court of  
competent jurisdiction.
2. Depository of Fund. The Fund shall be held by the Escrowee in an  
interest bearing account separate and apart from the personal funds  
of the Escrowee until such time as the Escrowee receives written  
direction, with respect to the disbursement of said Fund,  
together with interest earned thereby, signed by both the Board  
and the Operator.

not less than \$7,105



3. Disputes. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with any money, or property involved herein or affected hereby, the Escrowee shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing, the Escrowee shall not become liable to the undersigned or any of them or to any other person for failure or refusal to comply with such conflicting or adverse demands and the Escrowee shall be entitled to continue to refrain and refuse to act until:
  - (a). the rights of the adverse claimants having been finally adjudicated in a court assuming and having jurisdiction of the parties, the money and property involved herein or affected hereby; and/or
  - (b). all differences shall have been adjusted by agreement and the Escrowee shall have been notified thereof in writing signed by all of the interest parties.
4. Liability of Escrowee. The Escrowee shall not be liable for any error of judgement or for any act done or step taken or omitted by him in good faith, or for any mistake of fact or law or for anything which he may do or refrain from doing in connection herewith, except his own willfull misconduct.
5. Protection of Escrowee. The Escrowee shall be protected in acting upon any notice, request, waiver, consent, receipt of other paper or document believed by the Escrowee to be genuine and to be signed by the proper party or parties.
6. Accounting. The Escrowee shall under no circumstances, be compelled to furnish a formal accounting for the Escrow Fund other than at the end of each calendar or fiscal year, to notify the Board and the Operator as to the date each payment was made into said Fund, the total amount contained therein and the interest accumulated thereby.



7. Fee. The fee of the Escrowee has been fixed by the Operator and the Escrowee under separate agreement. The Escrowee shall not be entitled to any additional fee for services rendered under this agreement.
8. Modification. This agreement may not be altered or modified without the express written consent of the Operator, the Board and the Escrowee.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this leave blank day of leave blank 19    .

MINERALS RECOVERY CORPORATION

By: X \_\_\_\_\_

ATTEST:

X \_\_\_\_\_  
Secretary

BOARD OF OIL, GAS, AND MINING

By: \_\_\_\_\_